

IN THE UNITED STATES DISTRICT COURT

UNITED STATES OF AMERICA : **DATE FILED:** _____

v. : CRIMINAL NO. _____

BETTY JEAN BARACHIE : VIOLATION:

18 U.S.C. § 657 (credit union

embezzlement - 1 count)

26 U.S.C. § 7206 (filing false

tax return - 1 count)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

1. The Northampton-Carbon County Federal Credit Union (“Nor-Car”) was a

federally insured financial institution, as that term is defined in Title 18, United States Code,

Section 20. Nor-Car was opened as a credit union in 1936. Until it was involuntarily liquidated

on September 30, 2004 by the National Credit Union Administration due to insolvency, Nor-Car

provided banking and financial services to approximately 8,831 credit union members, including

public school employees of Northampton and Carbon Counties, Lafayette College, the Allentown

Parochial Diocese School, Northampton County employees, and others. Nor-Car's principal

place of business was conducted at 2804 William Penn Highway, Easton, Pennsylvania. Nor-Car

had a branch office located at 430 South Seventh Street, Lehigh, Pennsylvania.

2. Defendant BETTY JEAN BARACHIE was employed as the manager of Nor-Car's Lehighton branch office and was responsible for conducting the regular business activities of Nor-Car's branch, including wire transferring money between credit union accounts, depositing the branch's daily receipts, and making general ledger entries.

3. The daily financial activities of the Nor-Car Lehighton branch were reported on a regular basis in the credit union's records and accounts maintained at Nor-Car's headquarters in Easton.

4. Defendant BETTY JEAN BARACHIE opened savings and checking accounts for herself at Nor-Car. Through the use of these accounts, BARACHIE embezzled approximately \$1,523,663 from Nor-Car between in or about 1992 and in or about April 29, 2003 through a check kiting scheme and by depositing funds belonging to Nor-Car into her personal accounts.

THE CHECK KITING SCHEME

5. Between in or about 1992 and in or about December 2000, defendant BETTY JEAN BARACHIE embezzled approximately \$870,000 from Nor-Car through a check kiting scheme using her Nor-Car accounts. Through the scheme, BARACHIE wrote and deposited checks into a Nor-Car account in amounts that exceeded her available funds. BARACHIE then delayed the clearing of her checks through the federal credit union banking system until she had deposited additional bad checks in greater amounts to cover the deficits. With each increased deposit, BARACHIE took for her own use the difference between each consecutive deposit.

6. In or about December 2000, defendant BETTY JEAN BARACHIE

transferred \$870,000 from Nor-Car's Mid-Atlantic FCU account to her own account to cover the outstanding overdraft.

THE DEPOSIT OF NOR-CAR FUNDS

7. Between on or about June 13, 2001 and on or about April 29, 2003, defendant BETTY JEAN BARACHIE embezzled additional money from Nor-Car by transferring approximately \$653,663 from Nor-Car's Mid-Atlantic FCU account to her own accounts.

THE EMBEZZLEMENT WITHIN THE APPLICABLE STATUTE OF LIMITATIONS

8. From on or about July 20, 1995 to on or about April 29, 2003, at Easton in the Eastern District of Pennsylvania, and elsewhere, defendant

BETTY JEAN BARACHIE

being an employee of the Nor-Car Federal Credit Union, the accounts of which were insured by the National Credit Union Share Insurance Fund, Charter No. 01421, knowingly embezzled, abstracted, purloined, and willfully misapplied approximately \$1,388,663 of the moneys, funds, and assets intrusted to the custody and care of that institution.

In violation of Title 18, United States Code, Section 657.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 of Count One of this Information are incorporated by reference.

2. On or about April 15, 2003, at Philadelphia, in the Eastern District of Pennsylvania, defendant

BETTY JEAN BARACHIE

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant **BETTY JEAN BARACHIE** did not believe to be true and correct as to every material matter, in that the return reported income for herself and her spouse of \$62,042, when in fact, as defendant BARACHIE well knew, she had not included approximately \$380,226 in additional income which BARACHIE had embezzled from the Nor-Car Credit Union, and therefore under reported her total income.

In violation of Title 26, United States Code, Section 7206(1).

PATRICK L. MEEHAN
United States Attorney